

LYNN'S LEADS

Phillips Financial, an Independent Firm

Client Memo

February 2009



A Letter From Lynn

The New Year is here, and I have never been so happy to flip the calendar page! Yes, 2008 was painful and 2009 could be too. The reality of the market losses are horrible. It hurts me to see my clients in pain because you have done everything correctly. It is distressing for those of us who conduct our financial affairs responsibly see those who don't bailed out with our money. When I think of the outrageous malfeasance of certain financial institutions, the lack of common sense of some homebuyers, the inept handling of loans by our legislators and overspending by many Americans, it is nothing short of disillusioning.

The good news is that we are working toward a solution. Unfortunately, it is a lot like making sausage-enjoyable in the end but disgusting during the process. While much about this current economic situation is unprecedented, human behavior is not. As a nation we have faced challenges equally as daunting in the past. A client of mine who owns timber sees the current drop in the markets much like burning forest property to restore nutrients in the soil and to make the stand more healthy.

Chris Davis, one of the most plainspoken money managers around, says sale of stocks on the market is much like "pawn shop economics." Because of margin or debt, many individuals have to sell stocks and are being forced to accept what they can get for them. While the popular press drones on and on about how and why we got in this predicament, they offer few solutions.

For you, we have designed portfolios with your goals and time horizons in mind. For the most part, my clients have reduced their debt or eliminated it, all have cash reserves and those approaching the time for taking distributions have the money already out of the market ready for distribution. We will concentrate on the issues we should control going forward and help you avoid the major emotional mistakes common to every bear market.

Bear markets are Needed, Necessary and Natural, although not Nice to endure. Yes, times are tough-but tough times are precisely when financial planning pays off the most (keep in mind past performance does not guarantee future results.) Remember, our firm is here to provide guidance and to seek the best options for you. As you will note from the included calendar, we are taking advantage of many upcoming learning opportunities so that we can better serve you.

Please know that we are committed to our clients first and foremost. From September to December, we did not accept any new clients, even though we had many requests. We chose instead to devote our time to those of you who have allowed us the privilege of serving as your planner.

2009 begins a new chapter. Certainly there will be pain ahead, but I believe most of the pain has already been felt. We must let the debt in the system unwind and the new realities sink in. Thankfully, fuel at the pump is less than \$2 again. Thanks be to God.

~~~Lynn

## Review Meetings

We are tweaking review meetings to make them more productive. Beginning the second quarter of this year, we will send you an agenda of what we expect to cover in our time together. Please let us know prior to your review meeting about additional items you would like to discuss so that we can be better prepared.

Various topics will include:

- Net worth update
- Investment Policy Statement update
- Review of life insurance protection and existing policies

Please provide us with the information requested when you are contacted for your meeting time.

## From Pat's Desk:

**1099 Tax Reporting Forms:** 2008 quarterly fees from your Freedom, Passport, Eagle or Raymond James Consulting account are listed on your 1099 forms. As usual, these forms are due out in February, but there are always situations where Raymond James

## Our Team

We recently welcomed **Lauren Castle** to our staff, and she is one you are most likely to reach when you call. Lauren earned both her bachelor's and master's degrees from MSU. Originally from Germantown, Tenn., she now calls Starkville "home."

**Patricia Tate**, who is celebrating six years with our firm, recently assumed the responsibilities as office/client services manager. Patricia is a graduate of the MSU School of Business. She is a wealth of information, so feel free to let her know why you are calling-she can make sure your needs are met in a timely manner.

**Nora Kathryn Strickland** is an MSU student studying financial planning and insurance. As an intern in our office, Nora Kathryn assists us with financial plan research and data organization. She also heads up our event planning and registration.

**Rosie (Gloria) Reeves** is a dear friend who helps us





**From Lauren's Desk**

It is great to be part of such a dynamic organization, and I look forward to meeting each of you personally. I am the new voice you hear when you dial in, so be sure to introduce yourself. It is surprising how much I have learned in the three months since I joined the firm. My MBA has certainly been an asset in allowing my learning curve to be steep. To ensure prompt service, please tell me the specifics of what you need when calling so that I can direct you to the appropriate person now that some staff members have new roles. To those of you I have already met, thank you for making me feel at home here! We will have fun working together.

**Fore!**

The 2009 Phillips Financial Habitat Golf Classic has been set for **Saturday, May 16**, at Starkville Country Club. Last September, the Starkville Habitat for Humanity Board of Directors named a house in honor of Phillips Financial Advisory and Lynn Phillips-Gaines. In turn, Lynn dedicated the Phillips Financial House to the life and humanitarian efforts of longtime mentors and friends, Sam and Pinks Dudley.

**Recent Honor**

Lynn has been recognized for one of the highest honors with Raymond James, completing 2008 in the top 3 percent of the firm's 3,000 representatives. Lynn is recognized for providing outstanding guidance and service to the investing public and exemplary professional growth. Because of this, Lynn has been asked to speak to her peers at this year's national conference about using integrity and caring involvement with clients to build a top practice in the United States. She will also be honored at a special meeting in May and named for the second year as a member of "The Leader's Council" with Raymond James Financial Services.

**Tell Us What You Think!**

We have hired Business Health, an independent research and consulting company that specializes in financial planning firms, to conduct a survey of our clients. This blind survey is being conducted by a firm completely independent of Raymond James so that we can get the most confidential and unbiased feedback. When you receive your survey by mail, please take a moment to complete it and provide written feedback where possible. We want to be sure the priorities we think are important are also the most important to you.

**Team Development Days**

As you can see, changes abound-not only in the economic climate, but also in operations, laws and strategy. In light of this, we are planning some team development days for which we will need to occasionally close the office. However, if you are unable to reach us and need to withdraw from your accounts, or need other immediate assistance, please call Raymond James' Customer Service at 1-800-647-7378 for prompt service.

**Referrals**

The greatest compliment you can give us is to refer potential clients who are just like you. We look to add four to six good clients each year and genuinely appreciate your referrals.

**Mark Your Calendar!**



|                 |                                                  |
|-----------------|--------------------------------------------------|
| February 13     | Office closed 8 a.m.-1 p.m. for Team Development |
| February 16     | Office closed for Team Development Day           |
| March 2-6       | Lynn speaks & attends national conference        |
| March 13        | Office closed 8 a.m.-1 p.m. for Team Development |
| May 16          | Annual Phillips Financial Habitat Classic        |
| June (date TBA) | Move office                                      |
| June 29-July 3  | Office closed for vacation*                      |

\*To better serve you, our team will all take vacation the same week in 2009.

**Pardon Our Progress**

We are moving to the front of 104 West Lampkin (our current office building). We hope this new location will help you with street parking, plus it offers handicapped and easy access to the main office... hooray! We anticipate moving in June and will notify you of details as they develop.